

**E-FILED ON JUNE 20, 2006**

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 Attorneys for Debtors and Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT  
 DISTRICT OF NEVADA**

In re:  
 USA COMMERCIAL MORTGAGE COMPANY,  
 Debtor.

In re:  
 USA CAPITAL REALTY ADVISORS, LLC,  
 Debtor.

In re:  
 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,  
 Debtor.

In re:  
 USA CAPITAL FIRST TRUST DEED FUND, LLC,  
 Debtor.

In re:  
 USA SECURITIES, LLC,  
 Debtor.

Affects:  
☒ All Debtors  
☐ USA Commercial Mortgage Company  
☐ USA Capital Realty Advisors, LLC  
☐ USA Capital Diversified Trust Deed Fund, LLC  
☐ USA Capital First Trust Deed Fund, LLC  
☐ USA Securities, LLC

Case No. BK-S-06-10725 LBR  
 Case No. BK-S-06-10726 LBR  
 Case No. BK-S-06-10727 LBR  
 Case No. BK-S-06-10728 LBR  
 Case No. BK-S-06-10729 LBR

Chapter 11

**Jointly Administered Under  
 Case No. BK-S-06-10725 LBR**

**STATUS AND AGENDA FOR  
 JUNE 21, 2006 HEARINGS**

Date: June 21, 2006  
 Time: 9:00 a.m.

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1. **Motion For Order Approving Continued Use Of Cash Through July 29, 2006 Pursuant To Second Revised Budget (Affects All Debtors)** (the “Continued Cash Motion”) filed by Debtors. The Continued Cash Motion requests that the Court enter an order approving the Debtors’ continued use of cash through the week ending July 29, 2006. See Debtors’ Amended 13-Week Cash Forecast filed on June 9, 2006.

Opposition Filed By:	Date	Docket No.
Jones Vargas’ Direct Lenders (Conditional Opposition)	6/14/06	647
Official Committee of Equity Security Holders of USA Capital Diversified Trust Deed Fund, LLC and Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC (Joint Limited Opposition)	6/14/06	654
Official Committee of Holders of Executory Contract Rights through USA Commercial Mortgage Company	6/14/06	658
Response: Debtors (Fifth Supplemental Declaration of Thomas J. Allison In Support of Motions)	6/20/06	750

2. **Motion For Order Under 11 U.S.C. Sections 105(a), 345, And 363 Approving Debtors Proposed Cash Management Procedures And Interim Use Of Cash In Accordance With Proposed Cash Budget** (Affects USA Commercial Mortgage) filed by Debtors (the “Cash Motion”). The Cash Motion is listed because it is on the Court’s calendar. However, at the May 3, 2006 hearing, the Court approved the Cash Motion and the limited use of cash to the extent and for the purposes reflected in the First Revised Budget through July 16, 2006. The Court’s order granting the Cash Motion was entered on May 22, 2006.

3. **Motion For Emergency Interim And Permanent Orders Authorizing The Debtors To Obtain Post-Petition Financing (Affects All Debtors)** (the “DIP Motion”) filed by Debtors. In the DIP Motion, Debtors propose obtaining a post-petition financing facility with CapitalSource Finance, LLC (“CapitalSource”). The Debtors seek emergency authority on June 21, 2006 to be able to borrow sufficient funds to ensure that the Debtor can maintain its operations and to make such loans as are necessary to protect the value of the loan portfolio until a final hearing can be held on July 25, 2006. As is more fully set forth in the Motion, the agreement makes available to the Debtors a revolving credit facility of up to \$15,000,000. The funds borrowed are to be secured by a first priority security interest in all existing and after acquired (pre-petition and post-petition) tangible and intangible assets of the Debtors. In addition, CapitalSource shall have a ten business day right of first offer on all of Debtors’ remaining funding for the original construction budget with respect to existing loans as of the petition date, subject in each instance to bankruptcy court approval. Each additional loan to fund future construction on existing loans will prime prior advances under the existing loan or loans, but will not participate in the collateral for the revolving credit facility. CapitalSource, on a case by case basis, shall also have the sole discretion to fund new loan originations generated by USACM on terms and conditions acceptable to CapitalSource.

Opposition Filed By:	Date	Docket No.
U.S. Trustee (Response)	6/19/06	705
Official Committee of Holders of Executory Contract Rights through USA Commercial Mortgage Company	6/19/06	711
Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC	6/19/06	712
Official Committee of Equity Security Holders of USA Capital Diversified Trust Deed Fund, LLC (Joinder in Opposition)	6/19/06	716

Official Committee of Unsecured Creditors of USA Commercial Mortgage Company (Response)	6/19/06	719
Response: Debtors (Fifth Supplemental Declaration of Thomas J. Allison In Support of Motions)	6/20/06	750

4. **Motion Directing Payments To Direct Lenders** (the “Direct Lender Motion”) filed by David Mincin on behalf of Richard McKnight. The Direct Lender Motion seeks an order of the Court directing Debtors to pay all sums that become due the McKnight Trust and other parties that made direct loans to borrowers.

Opposition Filed By:	Date	Docket No.
Debtors	6/7/06	520

5. **Motion For Reconsideration of Motion For Order Authorizing Return of Non-Invested Funds Of Jasper Benincasa, Jr. And Flocerfida Benincasa** (the “Benincasa Motion”) filed by Jasper and Flocerfida Benincasa on June 9, 2006. The Benincasa Motion requests that the Court reconsider the Order Denying Motion For Order Authorizing Return Of Non-Invested Funds Of Jasper Benincasa, Jr. And Flocerfida Benincasa.

Opposition Filed By:	Date	Docket No.
None – Motion should be set on next omnibus hearing date because it was filed less than 25 days from June 21, 2006 hearing date. See Amended Order Establishing Case Management Procedures (Affects All Debtors), paragraph A.1.		

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6. **Motion For Authority To Forebear And To Provide Further Funding For Certain Outstanding Loans [Affects USA Commercial Mortgage, USA Capital Diversified - Trust Deed Fund, LLC, and USA Capital First Trust Deed Fund, LLC]** (the “Forebear Motion”) filed by the Debtors. The Forebear Motion requests that the Court authorize the Debtors to: 1) release excess collateral for the Franklin/Stratford Loan Agreement to allow for funding of the unfunded requirement to complete the project, 2) make an additional \$125,000 Loan Advance from USACM to Borrower Boise/Gowan to fund the unfunded requirement to complete the project, 3) release 3 condominiums in exchange for the net sales price (Amesbury Project) for sales that are full value sales, and 4) forebear from declaring a default or exercising foreclosure and other remedies on four HFA loans (HFA Monaco Loan, the HFAH Clear Lake, the HFAH Clear Lake 2<sup>nd</sup> Loan and the HFAH Windham/Asylum Loan) until January 1, 2007 even though the Four HFA Loans are Nonperforming Loans, in order to assist the borrowers in their efforts to refinance these loans and pay them off in full.

Opposition Filed By:	Date	Docket No.
U.S. Trustee	6/19/06	706
Scott Canepa	6/19/06	717
Official Committee of Unsecured Creditors of USA Commercial Mortgage Company (Joinder in Debtor’s Motion)	6/19/06	718
Official Committee of Holders of Executory Contract Rights through USA Commercial Mortgage Company	6/19/06	719
Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC (Limited Opposition)	6/19/06	720
Jones Vargas Direct Lenders (Joinder in Opposition)	6/19/06	734
Jones Vargas Direct Lenders (Joinder in U.S. Trustee Opposition)	6/19/06	737
Scott Canepa (Supplemental Opposition)	6/20/06	744

<u>Reply Filed By:</u>	<u>Date</u>	<u>Docket No.</u>
Debtors	6/20/06	749
Debtors (Fifth Supplemental Declaration of Thomas J. Allison In Support of Motions)	6/20/06	750

7. **Motion For Order Approving Agreement With Investment Partners (Affects All Debtors)** (the “Investment Partners Motion”) filed by the Debtors. The Investment Partners Motion requests an order of the Court approving the security agreement and related promissory note recently given by USA Investment Partners, LLC (“Investment Partners”) to document a \$58.3 million obligation owed by Investment Partners and to provide collateral for that obligation (and other obligations owed by Investment Partners).

Opposition Filed By:	Date	Docket No.
Robert LePome	6/19/06	701
U.S. Trustee	6/19/06	707
Official Committee of Holders of Executory Contract Rights through USA Commercial Mortgage Company (Response)	6/19/06	708
Official Committee of Equity Security Holders of USA Capital Diversified Trust Deed Fund, LLC (Limited Opposition)	6/19/06	709
Official Committee of Holders of Executory Contract Rights through USA Commercial Mortgage Company (Declaration In Support of Response)	6/19/06	710
Official Committee of Unsecured Creditors of USA Commercial Mortgage Company (Limited Joinder in Debtor’s Motion)	6/19/06	714
Official Committee of Equity Security Holders of USA	6/19/06	715

Capital First Trust Deed Fund, LLC (Limited Opposition)		
Liberty Bank (late-filed)	6/20/06	758
<b><u>Reply Filed By:</u></b>	<b><u>Date</u></b>	<b><u>Docket No.</u></b>
Debtors	6/20/06	746

8. **Application For Administrative Order Establishing Procedures For Interim Compensation And Reimbursement of Expenses of Professionals (Affects All Debtors)** (the “Procedures For Payment Of Professionals Application”) filed by Debtors. The Procedures For Payment Of Professionals Application has been continued to July 25, 2006.

9. **Motion To Remove Fertitta Enterprises, Inc. As Member of Official Committee of Holders of Executory Contract Rights (Affects USA Commercial Mortgage Company)** (the “Remove Committee Member Motion”). The Remove Committee Member Motion requests that the Court order the U.S. Trustee to change the composition of the Executive Contracts Committee (“ECC”) by removing Fertitta Enterprises, Inc., acting through its corporate secretary and treasurer William J. Bullard, as a member of the ECC and appointing a replacement.

Opposition Filed By:	Date	Docket No.
U.S. Trustee	6/19/06	704
Official Committee of Holders of Executory Contract Rights through USA Commercial Mortgage Company	6/19/06	722
Official Committee of Holders of Executory Contract Rights through USA Commercial Mortgage Company (Declaration In Support of Opposition)	6/19/06	724
Jones Vargas Direct Lenders (Joinder In Opposition)	6/19/06	735
Jones Vargas Direct Lenders (Joinder In U.S. Trustee Opposition)	6/19/06	736
<b><u>Reply Filed By:</u></b>	<b><u>Date</u></b>	<b><u>Docket No.</u></b>
Debtors	6/20/06	748
Debtors (Fifth Supplemental Declaration of Thomas J. Allison In Support of Motions)	6/20/06	750

10. **Application to Employ Orrick, Herrington & Sutcliffe LLP as Counsel to the Official Committee of Equity Security Holders of USA Capital Diversified Trust Deed Fund, LLC** (the “Orrick Herrington Application”) filed by Orrick, Herrington & Sutcliffe LLP. The Orrick Herrington Application requests that the Court approve, nunc pro tunc as of June 1, 2006, the employment of Orrick Herrington & Sutcliffe, LLP as bankruptcy counsel for the Official Committee of Equity Security Holders of USA Capital Diversified Trust Deed Fund, LLC.

Opposition Filed By:	Date	Docket No.
None.		

11. **Application to Employ Beckley Singleton, Chtd. As Special (Nevada) Bankruptcy Counsel To The Official Committee of Equity Security Holders of USA Capital Diversified Trust Deed Fund, LLC** (the “Beckley Singleton Application”) filed by Beckley Singleton, Chtd. The Beckley Singleton Application requests that the Court approve, nunc pro tunc as of June 9, 2006, the employment of Beckley Singleton, Chtd. as Special (Nevada) Counsel for the Official Committee of Equity Security Holders of USA Capital Diversified Trust Deed Fund, LLC.

Opposition Filed By:	Date	Docket No.
None.		

12. **Joint Motion of Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC, the Official Committee of Holders of Executory Contract Rights Through USA Commercial Mortgage Company, the Official Committee of Equity Security Holders of USA Capital Diversified Trust Deed Fund, LLC, and the Official Unsecured Creditors’ Committee for USA Commercial Mortgage Company Pursuant to 11 U.S.C. §§ 105(A), 107(B), 1102(B)(3)(A) and 1103C), For Order Clarifying Requirement To Provide Access To Information** (the “Information Protocols Motion”). The Information Protocols Motion requests that the Court define the information to which the respective constituencies of the four moving entities may be given access pursuant to 11 U.S.C. § 1102(b)(3) and establish protocols governing access to committee information, the implementation of which



satisfies the Committees' obligations under 11 U.S.C. § 1102(b)(3).

Opposition Filed By:	Date	Docket No.
U.S. Trustee	June 12, 2006	613
David Mincin on behalf of Richard McKnight	June 12, 2006	614
USA Commercial (Response)	June 12, 2006	615
USA Commercial (Supplemental Response)	June 14, 2006	643
USA Commercial (Supplemental Response)	June 20, 2006	751
<b><u>Reply Filed By:</u></b>	<b><u>Date</u></b>	<b><u>Docket No.</u></b>
Committees (Joint Omnibus Response)	June 14, 2006	649

13. **Application For Order Under Section 1103 of the Bankruptcy Code**  
**Authorizing The Employment And Retention of FTI Consulting, Inc. As Financial Advisors**  
**To the Official Committee of Equity Security Holders of USA Capital Diversified Trust Deed**  
**Fund, LLC Nunc Pro Tunc As of June 9, 2006** (the "FTI Consulting Employment Application")  
 filed by Official Committee of Equity Security Holders of USA Capital Diversified Trust Deed  
 Fund, LLC. The FTI Consulting Employment Application requests that the Court approve, nunc  
 pro tunc as of June 9, 2006, the employment and retention of the consulting firm of FTI  
 Consulting, Inc., together with its wholly owned subsidiaries, agents, independent contractors and  
 employees, as financial advisors for the Official Committee of Equity Security Holders of USA  
 Capital Diversified Trust Deed Fund, LLC.

Opposition Filed By:	Date	Docket No.
None.		

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14. **Application to Employ Alvarez & Marsal, LLC as Financial and Real Estate Advisor Nunc Pro Tunc to June 1, 2006** (the “Alvarez & Marsal Employment Application”) filed by Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC. The Alvarez & Marsal Employment Application requests that the Court approve, nunc pro tunc as of June 1, 2006, the employment and retention of Alvarez & Marsal, LLC, as financial and real estate advisors for the Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC.

Opposition Filed By:	Date	Docket No.
Official Committee of Unsecured Creditors of USA Commercial Mortgage Company (Response)	6/19/06	696

Respectfully submitted this 20<sup>th</sup> day of June, 2006.

/s/ JEANETTE E. MCPHERSON

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